

**STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Room 1058, IGCN – 100 North Senate
Indianapolis, IN 46204**

**IN THE MATTER OF THE REQUEST)
OF TOWN OF ZIONSVILLE,)
BOONE COUNTY, FOR AN) **A23-091**
EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)**

The Department of Local Government Finance (“Department”) has reviewed an appeal by Town of Zionsville (“Town”) for an excess levy in the amount of \$886,876 to its civil maximum levy due to three-year growth. Indiana Code 6-1.1-18.5-13 allows the Department to grant permission to a civil taxing unit to increase its maximum levy if the Department finds that the quotient determined under Step Six of the following formula is equal to or greater than one and two-hundredths (1.02):

Step 1: Determine the three calendar years that most immediately precede the ensuing calendar year:
2023, 2022, and 2021

Step 2: Compute separately, for each of the calendar years determined in Step 1, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property divided by the sum determined under this Step for the calendar year immediately preceding the particular calendar year.:

Town assessed values for 2020, 2021, 2022, and 2023, respectively:

*2020: 2,858,851,438
2021: 3,033,267,603
2022: 3,971,042,894
2023: 3,971,042,894*

Step 2 quotients:

*2021/2020: 1.0610
2022/2021: 1.0521
2023/2022: 1.2443*

Step 3: Sum the results of Step 2 and divide by three:
1.1191 ((1.0610+1.0521+1.2443)/3)

Step 4: Compute separately, for each of the calendar years determined in Step 1, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties divided by the sum determined under this Step for the calendar year immediately preceding the particular calendar year.

*Statewide average quotients for 2021, 2022, and 2023, respectively:
1.0392; 1.0541; 1.1481*

Step 5: Add the Step 4 results and divide by three:
1.0804 ([1.0392; 1.0541; 1.1481]/3)

Step 6: Divide the Step 3 results by the Step 5 results:
1.0358 (1.1191/1.0804)

The maximum amount that the Department may award is the amount by which Step 3 exceeds the maximum levy growth quotient (“MLGQ”) as calculated according to IC 6-1.1-18.5-2 (this amount is 1.04 or 4% for 2024; since 1.0358 is greater than 1.020, the Town is eligible for a three-year growth appeal):

0.0791 (7.91%) (1.1191-1.0400)

The Town’s 2023 maximum civil levy is \$11,212,092. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 7.91% growth factor calculated above results in a figure of \$887,413, which is the maximum for which the Town could qualify under the statutory formula. Under IC 6-1.1-18.5-12(a), the Town must also show that it is unable to perform its government functions without this increase.

The Town states in its appeal the excess levy is needed “to address growing demands and expectations of services as the Town continues to experience fast paced growth.” The Town states that approximately 50% of its budget is dedicated to public safety and has an aging police department building as well as a need “to continue to support public safety, providing school resource officers . . . while also meeting increased demand for both additional police and firefighters.” The Town states “the additional levy for 2024 and beyond will help meet some of the capital needs as well as maintain spending necessary to support potentially additional staff members in public safety, public works, planning and parks.”

The Town then states that it is experiencing growth mainly in its “urban service district,” but that it expects to see its “rural service district” grow with the development of the LEAP Lebanon project. The Town states that it has grown reserves during the COVID-19 pandemic and “responded to challenges of employee retention and meeting staffing needs,” but “the 2023 and 2024 budgets passed by the Town Council have called for deficit spending each year.” The Town states that the excess levy is necessary “to limit the deficit for 2024.” The Town also states that capital expenditures planned for 2024 are to be paid out of American Rescue Plan Act funds and not a property tax levy, but that “this will not be an option moving forward as APRA funds must be contracted for by December 31” of 2023. The Town also plans to use the excess levy to “lessen the future debt impact on the town.”

Finally, the Town states that the excess levy is also being used to position itself financially better with the neighboring Town of Whitestown. Specifically, the Town claims that the Town “has a lower property tax levy” than Whitestown, “a community with 2020 census population of 10,183” that “has a 2023 levy of \$17,362,455 while Zionsville with three times the population has a current levy of \$14,627,772. As a result, the Local Income Tax (LIT) revenues for Whitestown are more than Zionsville which as 3 times the population.” The Town then claims that maintaining a low tax levy “has limited the growth of [the Town’s] LIT revenues placing

further challenges on the Zionsville budget.” Therefore, the Town states the excess levy is also necessary to “to reduce the \$2 million levy/LIT disparity that exists between Zionsville and a community with 1/3 the population in Whitestown.”

The Town has also indicated on its Form 3 that it seeks an excess levy of \$1,656,018. This is the sum of \$887,876, the amount the Town is requesting in this appeal, plus \$769,142, the amount the Town is requesting in an appeal based on an extension of services, which the Department will consider in a separate order.

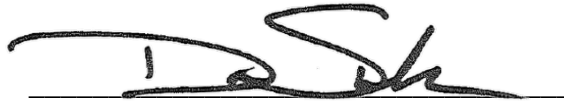
After a review of the petition, the Department, following IC 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

APPROVED WITH MODIFICATION:

The Town’s excess levy appeal is approved in the amount of **\$886,876**. This figure reflects the amount for which the Town qualifies under the statutory three-year growth formula and does not exceed the amount for which the Town advertised and petitioned the Department. This is a one-time, permanent increase.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

WITNESS MY HAND AND SEAL of this Department on this 29 day of
November _____, 2023.



Daniel Shackle, Commissioner